



Office of the Mayor

NEWS RELEASE

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Eddy Street hotelier, developer plan downtown hotel

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REI Investments Inc., working with the operator of two planned hotels in the Eddy Street Commons, will break ground next spring for a \$25 million “top-quality select-service” downtown convention hotel across the street from Century Center.

The city’s Redevelopment Commission today approved a letter of intent for developers to acquire property at the northwest corner of St. Joseph Street and Jefferson Boulevard, just south of the College Football Hall of Fame. On the site REI plans to build a 10-story, 175- to 200-room hotel, where the City of South Bend will join in the construction of a 210-car parking garage. REI representatives said they hoped to have the hotel brand identified in a few weeks, but are considering a franchise of Hyatt, Marriott, Hilton or Starwood.

“This is exciting news for downtown, where a hotel adjacent to the Century Center will heighten the attractiveness of South Bend as a convention destination,” said Mayor Stephen J. Luecke. “This represents a key milestone toward the city’s multi-year downtown strategy. As the site plans for this hotel indicate, this new facility will add grace to South Bend’s skyline and enhance the revitalization that’s already under way.”

According to a letter of intent from REI and Merrillville-based White Lodging Services Corp., the developers would acquire the 0.58 acre parcel for \$1 before construction begins as part of the agreement. The facility is expected to be open by fall 2009.

“We are excited about the opportunity to work with the city and the Century Center to bring a first-class hotel to South Bend’s skyline that will energize their efforts to attract more convention and meeting business to the city’s core,” said Jeremy Stephenson, director of development for REI Investments.

The announcement already has had an impact on Century Center's tradeshow efforts.

"We are looking forward to this latest addition in the city of South Bend," said Global Spectrum's Kurt A. Brown, general manager of Century Center. "When I spoke with a client today about their annual tradeshow here at Century Center, the client spoke positively about the addition. The client was ecstatic because they could keep all of their attendees close to Century Center. Century Center, and more importantly South Bend, would continue to accommodate their growing business in the foreseeable future."

REI's proposed hotel would be among the city's tallest structures. Among hotels, it would join the nine-story downtown South Bend Marriott, which has 372 rooms and nearly 11,000 square feet of meeting space, and the Holiday Inn City Centre, in the 25-story Chase Tower, which has 197 rooms and 11,400 square feet of meeting space.

The Eddy Street Commons development 1.5 miles to the northeast, includes plans for a nine-story 246-room Marriott and a five-story, 139-room Spring Hill Suites, both operated by White Lodging, REI's partner at the downtown site.

"Having the same company operating this convention hotel and the planned facilities in the Eddy Street Commons also highlights that synergy – rather than competition – exists between the two locations," Luecke said. "This is an exciting time for new development all over South Bend."

The City of South Bend will contribute \$3.7 million to the cost of the parking garage construction. According to the agreement, 150 of the 210 parking spaces will be available to the general public between 8 a.m. and 5 p.m. weekdays.

"Select-service" hotels represent a growing trend in the hospitality industry. These hotels don't offer all the luxuries and services of traditional hotels, but provide the same level of quality at a more affordable price to the consumer, according to Event Solutions magazine. There now are about 60 select service hotel brands in operation, including Hyatt's Hyatt Place; Marriott's Fairfield Inn, Residence Inn and Courtyard; Hilton's Hampton and Hilton Garden inns; and Starwood's Four Points by Sheraton.

REI has been looking for some time at other downtown sites for a possible convention hotel, including the site of the Century Center's parking lot. But REI's clear preference always has been for the current site, which until recently had been under option for proposed Gameday Centers condominiums.

Unlike the Gameday project, the ability for REI and White Lodging to move ahead with construction is neither contingent on advance sales nor a need to secure outside financing.

Based in Indianapolis, REI Real Estate Services LLC has worked with White Lodging Services to develop thousands of hotel rooms and hundreds of millions of dollars in several convention hotels throughout the country, including in Indianapolis, Louisville, Ky., and Austin, Texas. Together they have 21 hotels in development. REI also owns more than 1.5 million square feet of office space. White Lodging already operates four hotels in the greater South Bend area, including the Residence Inn South Bend.



View from St. Joseph Street



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Proposed Select Service Hotel

South Bend, IN

REI INVESTMENTS